

## Message Text

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ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 EB-07 XMB-02 /020 R

DRAFTED BY COM/OED/MEPD/TJASPER/DW  
APPROVED BY EB/OCA/CD:WERAU  
COM/OED/MEPD/SMCONGER, DIRECTOR  
STATE/NEA/PAB/MHORNBLow (PHONE)  
COM/OIM/GPAINE (INFO)  
PDUNTON/EXIMBANK (INFO)  
NEA/RA/DMORRISON (INFO)

-----032110 012324Z /65

P 011955Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KABUL PRIORITY  
INFO AMEMBASSY TEHRAN PRIORITY

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E.O. 11652: N/A

TAGS: BENC, AF, IR

SUBJECT: MAJOR PROJECT: KANDAHAR CEMENT

REF: KABUL 4022

1. FULLER COMPANY HAS ASKED COM/MEPD TO SEND THE  
FOLLOWING MESSAGE ADDRESSED TO AMBASSADOR ELIOT. BEGIN  
QUOTE: WE RECEIVED A TELEX THROUGH U.S. COMMERCE

DEPARTMENT STATING THAT, IN YOUR JUNE 8TH MEETING, MINISTER  
KHURRAM DECLARED FULLER/FISCHBACH-OMAN CONTRACT NULL AND  
VOID, THAT IRANIANS REFUSED TO ACCEPT TURNKEY CONTRACTUAL  
ARRANGEMENTS FOR THE PLANT, AND THAT THE IRANIANS INSISTED  
FOR MORE SUPPLY OR PARTICIPATION IN THIS PROJECT. THIS  
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CAME AS A COMPLETE SURPRISE TO US SINCE ALL ALONG WE WERE  
TOLD THAT AFGHANISTAN WOULD DETERMINE THE SUPPLIER AND IRAN  
WOULD GIVE THE MONEY. IN OUR LAST MEETING, IN APRIL 1977,  
WITH HONORABLE MINISTER OF MINES AND INDUSTRIES  
MR. M. ASSIFI HE STATED THAT THEY WERE AWAITING THE FINAL  
DECISION ON FINANCING FROM IRANIANS WHICH HE HOPED WOULD BE  
FORTHCOMING BY JUNE 30, 1977.

2. MR. AMBASSADOR, WE WOULD LIKE TO BRING THE FOLLOWING POINTS TO YOUR ATTENTION:

(A) FULLER COMPANY HAS SPENT IN EXCESS OF 500,000

DOLLARS ON THIS PROJECT, ON THE BASIS OF A SIGNED CONTRACT, AND WE WERE QUITE HOPEFUL THAT IF THE GEOLOGICAL STUDY AND OTHER FEASIBILITY STUDY WOULD BE POSITIVE THE PROJECT WOULD GO AHEAD. FOR GEOLOGICAL AND FEASIBILITY STUDY WE WERE PAID 250,000 DOLLARS.

(B) FULLER/FISCHBACH-OMAN ARE VERY MUCH INTERESTED IN THIS PROJECT. FULLER COMPANY HAS APPROACHED EXIM BANK TO DETERMINE IF THERE IS ANY POSSIBILITY OF FUNDING THROUGH THEIR PROJECT LOAN PROGRAM. EXIM IS INTERESTED IN HELPING BUT FOR THE AMOUNT OF MONEY INVOLVED THEY ASK WE INVESTIGATE THE POSSIBILITY OF A GUARANTOR OUTSIDE OF AFGHANISTAN. SUCH AS IRAN, SAUDI ARABIA, KUWAIT, ETC. WE WOULD VERY MUCH APPRECIATE IF THE EMBASSY COULD APPROACH THE PROPER AUTHORITIES TO DETERMINE IF SUCH A PROCEDURE IS FEASIBLE.

3. WE REQUEST THE EMBASSY TO LET US KNOW IF THERE HAS BEEN ANY CHANGE IN THE POSITION OF MINISTER ASSIFI AND/OR THE CABINET OF THE GOVERNMENT OF AFGHANISTAN. WE LIMITED OFFICIAL USE

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ALSO REQUEST EMBASSY THAT THROUGH THE U.S. EMBASSY IN TEHRAN IF THEY COULD MAKE CONTACTS WITH IRANIAN GOVERNMENT OFFICIALS AND DETERMINE OUR FUTURE COURSE OF ACTION. LASTLY, MR. AMBASSADOR, WE HAVE A DEEP INTEREST IN SUCCESSFULLY COMPLETING THIS PROJECT FOR GOVERNMENT OF AFGHANISTAN AND SHOW A VISIBLE PRESENCE OF U.S. PRIVATE INDUSTRY IN THE REPUBLIC OF AFGHANISTAN. WE THEREFORE REQUEST YOUR COMMENTS AND GUIDANCE REGARDING THIS PROJECT. BEST REGARDS, G. KRIS KAPOOR/GENERAL MANAGER SALES, AND CARL GRAF, FULLER COMPANY, 847443. END QUOTE.

4. WE WOULD APPRECIATE ANY ASSISTANCE EMBASSY CAN GIVE FULLER ON THIS MATTER. CHRISTOPHER

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NNN



## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1977STATE153941  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OED/MEPD/TJASPER/DW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 KABUL 4022  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1980195  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECT: KANDAHAR CEMENT  
**TAGS:** BENC, AF, IR  
**To:** KABUL  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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